

FINANCIAL MANAGEMENT

Policy 30301: Bank Accounts – Establishment and Operations

1. PURPOSE

The Department of the Treasury (Treasury) is responsible for developing, monitoring, and controlling the Commonwealth's banking network. The Business Office at Germanna Community College (GCC) is responsible for developing, monitoring, and controlling bank accounts for Local Funds.

2. POLICY

2.1. Treasury, under the authority of Sections 2.1-180, 2.1-180.1 and 2.1-209 of the *Code of Virginia* (1950), as amended, governs the procurement of bank services for funds of the Commonwealth. As an Agency of the Commonwealth we are required to adhere to the requirements outlined in the Department of General Services, Division of Purchases and Supply, *Agency Procurement and Surplus Property Manual*, and the CAPP Manual, Topic Number 20210.

2.2. The CAPP Manual, Topic Number 20210 also lists the responsibilities of individual agencies in using local banks for accounts that are not State funds. Germanna Community College maintains three local bank accounts: Local, Federal and Petty Cash. Local banking relationships shall be reviewed annually, measuring the College's satisfaction with services received, costs incurred, and accessibility to bank facilities. The Financial Services Coordinator and Vice President of Administrative Services shall make a joint decision to retain the same banks or procure new banking services.

3. PROCEDURE

3.1 STATE ACCOUNTS

The selection of Concentration Banks is the sole responsibility of the Treasury. Requests for financial institutions to be designated as Regional Banks are initiated by agencies and institutions. These requests must be made in writing. Requests for Regional Bank designations should be sent to:

Manager, Cash and Banking
Division of Cash Management and Investments
Department of the Treasury
P.O. Box 1879
Richmond, VA 23218-1879

3.1.1. An agency or institution that wants to select or change the bank it uses as a depository for State funds, must submit a Bank Selection/Change Request form (attached) to the Treasury. All sections of the form must be completed and sent to the address on the bottom of the form. Treasury should receive requests thirty (30) days prior to the requested change date. Treasury will respond via letter no later than 10 business days from receipt of request. The address is the same as listed above.

3.2 LOCAL ACCOUNTS

3.2.1. No bank account which in any way purports to be, or appears to be, associated with Germanna Community College, shall be established or maintained without the prior authorization of the Vice President of Administration.

3.2.2. All College funds must be placed in a bank account that clearly carries the name “Germanna Community College” in the account title. A Germanna Community College bank account may be used only for legitimate and allowable College expenses. Student, faculty and staff organizations are prohibited from establishing or maintaining bank accounts using the name “Germanna Community College” or “GCC” in the account title. Furthermore, they cannot use the College’s taxpayer identification number in the establishment or maintenance of any bank account.

3.2.3. All revenues deposited to GCC bank accounts are recorded into the accounting system within 24 hours after the bank deposit.

3.2.4. All accounts are reconciled within 14 days following receipt of the bank statement. A Fiscal employee, who does not have signatory authority on the accounts, reconciles the statements and forwards them to the Financial Services Coordinator for review and approval. Accounts are also reconciled to FRS balances.

3.3 LOCAL FUNDS ACCOUNT

3.3.1. As stated in the VCCS Policy manual, “Local Funds may be established by the colleges and the System Office of the VCCS. These funds shall derive their revenue from enterprise activities, contributions of local political sub-divisions, contributions of educational foundations, other direct contributions to the community college or the System Office, and from interest earned on the investment of these funds.” Local bank accounts shall be established to transact the business of the local funds. Funds

deposited into the Local Funds account must be in compliance with the requirements of the Virginia Security for Public Deposits Act, Chapter 23 of the Code of Virginia. Examples of transactions found in the Local Funds Account are: (1) To “purchase” Non-sufficient Funds (NSF) checks deposited to the credit of the Treasurer of VA. Reimbursements of NSF checks are deposited back into the Local Funds account when received. If NSF checks have not been reimbursed at the end of the fiscal year, a revenue refund voucher is processed to replenish the Local Funds account from current tuition revenue. (2) To provide a discretionary account for the President of the College to support the activities and obligations associated with the office. (3) To benefit the operation of the college including development and construction of facilities.

- 3.3.2.** The Fund Accountant processes checks on this fund after verifying that the supporting documentation is attached to the request (receipts, receiving reports, etc.). Checks are normally written twice per week, but may be more frequent depending on need.

3.4. FEDERAL ACCOUNT

- 3.4.1.** As state in The Blue Book, “All schools must maintain a bank account into which ED transfers Title IV program funds.” (34 CFR 668.163(a)(1)) The Federal Account tracks receipts and disbursements to students for Financial Aid. Draw downs (actual disbursements of Federal Funds requests for funds) are requested based on actual expenses and anticipated payrolls.

- 3.4.2.** When notification from the bank is received that the funds have been credited to the Federal Account, the Fund Accountant prepares the necessary disbursement checks to distribute the funds. GCC follows all applicable rules and regulations, drawdown and disbursement time limitations, on Federal Funds. Any unused funds are returned within the allotted time frame.

3.5. PETTY CASH FUND

- 3.5.1.** Authority to establish an account is found in the Code of Virginia, Section 2.1-229:”A reasonable petty cash, payroll or other impress fund may be allowed each State Department, Institution, Board, Commission or other Agency. *The amount of such fund or funds shall be fixed and is subject to audit and reimbursement by the State Comptroller.*”

- 3.5.2. All payments are made in accordance with Commonwealth Policies and Procedures specified in CAPP Manual, Topic Number 20330 – Petty Cash.
- 3.5.3. Petty cash is maintained on an impress basis. The total of the petty cash checkbook balance, change funds, and un-reimbursed expenses must always reconcile to the total authorized amount, which is \$3,000.
- 3.5.4. Petty cash checks are issued upon request for small, non-recurring expenses with payment restrictions not allowing time to process through regular Accounts Payable (registrations, subscriptions, etc.) and the need to be accompanied by proper supporting documentation. Petty Cash checks must not exceed \$750 and require only one authorizing signature.

4. DEFINITIONS

- 4.1. **CONCENTRATION BANK** – a bank identified as being approved by the Treasury for State deposits.
- 4.2. **REGIONAL BANK** – a bank identified for use as a local depository when use of a Concentration Bank is not practical, primarily due to location.

5. REFERENCES

Code of Virginia (1950) Sections 2.1-180, 2.1-180.1, 2.1-209, and 2.1-229

Department of General Services, Division of Purchases and Supply
Agency Procurement and Surplus Property Manual

Department of Accounts, CAPP Manual, Topic Number 20210

Department of Accounts, CAPP Manual, Topic Number 20330

VCCS Policy Manual, Section 4.2.2 (a) and 4.2.2 (e)

The Blue Book, Chapter 4

Germanna Community College Business Office Procedures Manual

6. POINT OF CONTACT

Suzanne Swinson
Financial Services Coordinator
Germanna Community College

540-423-9037

7. APPROVAL AND REVISION DATES

Reviewed and Revised by: Suzanne Swinson
February 11, 2008
Reviewed and Approved by: President's Council
February 18, 2008

BANK SELECTION/CHANGE REQUEST

Agency Name/Address

Contact Name

Authorized Signature

Current Bank Name/Address

Mon/Fri Hours:	to		Sat Hours:	to:	
Night Deposit:	Yes	No	Adequate Parking	Yes	No
Drive Through:	Yes	No	Approximate Distance:		

Proposed Bank Name/Address

Mon/Fri Hours:	to		Sat Hours:	to:	
Night Deposit:	Yes	No	Adequate Parking	Yes	No
Drive Through:	Yes	No	Approximate Distance:		

Reason for change: